

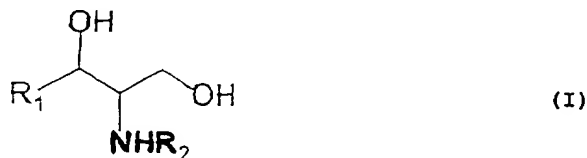
**AMENDMENTS TO THE CLAIMS**

**This listing of claims will replace all prior versions and listings of claims in the application:**

**LISTING OF CLAIMS:**

Claims 1-6 (canceled).

7. (currently amended): A method of preparing a clear aqueous composition, which is not irritating to the skin, consisting essentially of 1.0 to 5.0% by weight of a ceramide represented by formula (I):



wherein  $R_1$  represents a hydrocarbon group having 9 to 17 carbon atoms; and  $R_2$  represents an acyl group having 2 to 30 carbon atoms which can contain a hydroxyl group,

comprising adding water to a lipid composition consisting essentially of (A) said ceramide, (B) a long-chain fatty acid having 12 to 24 carbon atoms, and (C) a nonionic surface active agent, and wherein the weight ratio of component (A) to component (B) is from 20:1 to 1:3, and the weight ratio of component (A) to component (C) is from 1:1 to 1:10, whereby said lipid composition upon combination with water will yield a clear aqueous ceramide composition,

and wherein the adding of the water to the lipid composition is while uniformly mixing the water and the lipid composition while heating at 80-120°C.

Claims 8-11 (canceled).

12. (new): The method of claim 7, wherein the long-chain fatty acid is at least one of isostearic acid and oleic acid.

13. (new): The method of claim 7, wherein the non-ionic surface active agent is a polyoxyethylene hydrogenated castor oil.

14. (new): The method of claim 7, wherein there is further added to the water and the lipid composition cholesterol.